

Instructions for Regional Seafood Development Tax Return

What is the Regional Seafood Development Tax?

The regional seafood development tax is levied on certain species and gear types within designated seafood development regions. As of June 6, 2005, salmon harvested in Prince William Sound by drift gillnet are subject to this tax. **Effective June 10, 2006, salmon harvested in Bristol Bay by drift gillnet are also subject to this tax.** Proceeds from the tax may be appropriated by the legislature to aid seafood development programs of qualified regional seafood development associations.

DUE DATE

Licensed Buyers Must File Monthly – Check the box at the top of the form next to “Buyer” and fill in the “Month” and “Year” boxes to reflect the month and year you purchased salmon harvested by drift gillnet fishermen in the Prince William Sound or Bristol Bay development regions. This return must be filed and the taxes paid no later than the last day of the month following the month in which the salmon were purchased or acquired. Buyers must file a bonus return when the fishermen or direct market license holder receives end-of-season settlements or bonus amounts for salmon previously acquired by the buyer.

Fishermen (including catcher sellers, catcher exporters, catcher processors and direct market license holders) Must File Annually – Check the box at the top of the form next to “Fisherman” and fill in the “Year” box to reflect the year you harvested salmon using drift gillnet gear within Prince William Sound or Bristol Bay that you either: (a) exported from the state, or (b) sold to unlicensed buyers. For fishermen (including catcher sellers, catcher processors and direct market license holders) this return must be filed and the taxes paid on or before March 31st of the following year.

Who Remits the Tax?

Licensed buyers collect and remit the tax on all salmon acquired from fishermen (including catcher sellers, catcher exporters, catcher processors and direct market license holders) who harvested the salmon within Prince William Sound or Bristol Bay. Fishermen (including catcher sellers, catcher exporters, catcher processors and direct market license holders) harvesting salmon using drift gillnet gear within Prince William Sound or Bristol Bay remit the tax on salmon sold to unlicensed buyers or exported from the state.

Online Payment

The Department offers online electronic funds transfer through the Tax Online Payment System (TOPS). You must be an existing taxpayer with the Tax Division to use TOPS. If you are a new taxpayer, contact the Tax Division at the number below to establish an account. Information and access to TOPS is located on our website:

<https://www.tax.state.ak.us/TOPS/>

If using TOPS, please indicate in the space provided the TOPS confirmation number assigned at the time of payment. TOPS is

an ACH (Automated Clearing House) Debit system. Some companies have a Debit Block on their bank accounts. If your bank account has an ACH Debit Blocker, the TOPS payment will be rejected by your bank unless the State of Alaska ACH Identification number is registered with your bank for ACH Debit processing.

If your account has a debit block, or you suspect that it does, contact your bank to register the State of Alaska as an authorized ACH Debit originator before making a payment through TOPS. The State of Alaska ACH ID Number is 0000902050. Rejected payments may result in penalties and/or interest.

TOPS does not accept ACH Credit or credit card transactions. For more information, contact your financial institution or the Department of Revenue Tax Division at (907) 465-3776.

Wire Transfer Requirement

Notify the State of Alaska, Treasury Division regarding the particulars (federal EIN or SSN, taxpayer name, tax type, tax period and total amount) of the wire transfer **the day before** the wire transfer is to be made, either by fax at (907) 465-4019 or via e-mail to: cashmgmt@revenue.state.ak.us.

For Wire Transfer instructions, please contact Alaska Department of Revenue's Treasury Division at the following address:

Cash Management
Alaska Department of Revenue
P.O. Box 110406
Juneau, AK 99811-0406
Phone: (907) 465-2360
FAX: (907) 465-2360
Email: cashmgmt@revenue.state.ak.us

Instruct your bank to indicate your Federal EIN or SSN and note that the payment is regional seafood development tax in the OBI (other bank information) field on the wire transfers. If paying by wire transfer, please indicate the date of the wire in the space provided.

What Records Must the Buyer Keep?

In order to properly complete and substantiate the monthly return, the buyer must maintain records reflecting the fishery in which the fishery resource was caught.

Definitions

Value – "Value" means:

(a) The market value as determined by the prevailing price paid to fishermen for the unprocessed fishery resource of the same kind and quality by fisheries businesses in the same region or market area where the fishery resource was caught if

- i) the fishery resource was caught by a person holding a direct marketing fisheries business license; and
- ii) the fishery resource was sold to a buyer other than a licensed fisheries business.

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(b) For fisheries resources other than those described above, the market value of the fishery resource if caught in company-owned or company-subsidized boats operated by employees of the company or in boats that are operated under lease to or from the company or other arrangement with the company and if the fishery resource is delivered to the company.

(c) For fishery resources other than those described in (a) and (b) above, the actual price paid for the fishery resource by the fisheries business to the fisherman, including indirect consideration and bonus amounts paid for fuel, supplies, gear, ice, handling tender fees, or delivery, whether paid at the time of purchase of the fishery resource or tendered as deferred or delayed payment.

Development Region – is a region of the state made up of designated management areas established by the Board of Fisheries and in which an election has been held and the imposition of the regional seafood development tax was approved.

Fishery – is the species and gear type that is subject to tax. At present only salmon caught by drift gillnet with limited entry permits beginning with the designation S03E or S03T have elected to impose this tax.

Who Must File a Bonus Return?

Licensed in-state buyers making bonus payments to fishermen for resources previously reported on a regional seafood development tax return are required to file a bonus return.

Bonus Return Due Date

Bonus returns must be filed and the taxes paid no later than the last day of the month following the month in which the bonus payment was made (e.g., a bonus payment made in November would be reported on a bonus return that would be due on or before December 31).

How are bonus payments reported?

Check the Bonus Return box at the top of the form and fill in the month and year the resource was originally acquired as well as the month and year the bonus payment was made. Under column A, report the total value of the resource including the bonus payment (i.e. value as originally reported plus the amount of the bonus payment). Under column C, calculate the tax on the revised value and transfer the total tax to line 3. On line 4 indicate the tax paid with the original return. On line 5 subtract line 4 from line 3. This is the tax amount due with the bonus return.

Amended Returns

You can use this form to correct any errors on your original return. You should file an amended return if you:

- Reported resources under the wrong region;
- Misstated the value of resources and the misstatement was not caused from a bonus payment.

If you are amending a previously filed return, attach a statement with a brief explanation of the error along with a description of the change(s) being made.

How do I amend my original return?

Check the Amended Return box at the top left of the form. Above the “Amended return” box check whether you are a “Buyer” or “Fisherman”. If you are a buyer, indicate the month and year the resources were originally acquired. If you are a fisherman, indicate the year the resources were exported or sold to an unlicensed buyer(s).

Under column A, report the correct value of the resource. Under column C, calculate the tax on the revised value and carry the total to line 3. On line 4, indicate the tax paid with the original return. If line 3 is greater than line 4, subtract line 4 from line 3 and show the result on line 5 as a positive number. This is the tax amount due with the amended return.

If line 4 is greater than line 3, subtract line 3 from line 4 and show the result on line 5 as a negative number. This is the amount of your overpayment which will be refunded to you.

Additional Forms

Download forms at: www.tax.state.ak.us

You may reproduce or photocopy this form as needed or request additional forms at: (907) 465-2320 or fax your request to (907) 465-3566

Questions

You may email us at: tax_fish_excise@revenue.state.ak.us or call (907) 465-2320